

HOUSE BILL 1317

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By: **Delegate Serafini**

Introduced and read first time: March 3, 2011

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **State Employees and Teachers – Cash Balance Plan**

3 FOR the purpose of establishing a cash balance plan under the State Retirement and
4 Pension System; requiring that certain members of the Employees' Pension
5 System or the Teachers' Pension System become members of the cash balance
6 plan on a certain date; requiring that certain individuals who are employed by
7 certain participating employers on or after a certain date become members of
8 the cash balance plan; providing that certain individuals are not eligible to
9 participate in the optional retirement program; requiring the Board of Trustees
10 of the State Retirement and Pension System to administer the cash balance
11 plan; requiring participation in the cash balance plan as a condition of
12 employment for certain individuals; providing the vesting requirements for
13 participating employees in the cash balance plan; requiring that employee
14 contributions to the cash balance plan be a certain amount and be made in a
15 certain manner; requiring certain participating employees of the cash balance
16 plan to be a certain age with a certain number of years of service as an eligible
17 employee prior to receiving certain distributions; requiring certain participating
18 employees of the cash balance plan who elect to receive certain distributions
19 before reaching a certain age with a certain number of years of service to wait
20 until a certain time to receive the distribution; providing for distribution of
21 certain benefits from the cash balance plan to a participating employee on
22 retirement; providing that certain participating employees in the cash balance
23 plan may make certain elections with regard to the method of distribution for
24 certain benefits payable under the cash balance plan; requiring the State to
25 make certain employer contributions to the cash balance plan in a certain
26 manner; requiring certain local employers to pay a certain amount of certain
27 employer contributions for certain participating employees in the cash balance
28 plan; providing that certain participating employees in the cash balance plan
29 may receive a certain benefit from the Employees' Pension System or the
30 Teachers' Pension System; providing that certain eligible employees in the cash
31 balance plan may elect to convert a certain accrued benefit to the cash balance

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



plan or receive a return of certain member contributions plus regular interest; prohibiting certain eligible employees who elect to convert a certain benefit to the cash balance plan from receiving certain member contributions; defining certain terms; and generally relating to the establishment of a cash balance plan for State employees and teachers.

BY repealing and reenacting, with amendments,
Article – State Personnel and Pensions
Section 23–203, 23–204(c), 23–208, and 30–302
Annotated Code of Maryland
(2009 Replacement Volume and 2010 Supplement)

BY adding to
Article – State Personnel and Pensions
Section 41–101 through 41–209 to be under the new title “Title 41. Cash
Balance Plan”
Annotated Code of Maryland
(2009 Replacement Volume and 2010 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
MARYLAND, That the Laws of Maryland read as follows:

Article – State Personnel and Pensions

23–203.

(A) (1) Except as provided in § 23–204 of this subtitle, an individual described in § 23–201(a) of this subtitle who becomes an employee of a participating employer on or after January 1, 1980, **AND ON OR BEFORE JUNE 30, 2011**, or who transfers membership from the Employees’ Retirement System **ON OR BEFORE JUNE 30, 2011**, is a member of the Employees’ Pension System as a condition of employment.

(2) AN INDIVIDUAL DESCRIBED IN § 23–201(A) OF THIS SUBTITLE WHO IS A MEMBER OF THE EMPLOYEES’ PENSION SYSTEM ON JUNE 30, 2011, AND REMAINS AN EMPLOYEE OF A PARTICIPATING EMPLOYER ON JULY 1, 2011:

(I) SHALL BECOME A MEMBER OF THE CASH BALANCE PLAN UNDER TITLE 41 OF THIS ARTICLE ON JULY 1, 2011; AND

(II) SHALL NO LONGER BE CONSIDERED A MEMBER OF THE EMPLOYEES’ PENSION SYSTEM.

(B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, AN INDIVIDUAL WHO IS NOT A MEMBER OF THE EMPLOYEES’

PENSION SYSTEM ON JUNE 30, 2011, IS NOT ELIGIBLE FOR MEMBERSHIP IN THE EMPLOYEES' PENSION SYSTEM.

(2) AN INDIVIDUAL IS A MEMBER OF THE EMPLOYEES' PENSION SYSTEM IF THE INDIVIDUAL COMMENCES EMPLOYMENT ON OR AFTER JULY 1, 2011, FOR A PARTICIPATING GOVERNMENTAL UNIT THAT ELECTED TO JOIN THE EMPLOYEES' PENSION SYSTEM ON OR BEFORE JUNE 30, 2011.

23-204.

(c) (1) [Subject] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION AND SUBJECT to paragraph [(2)] (3) of this subsection, membership in the Employees' Pension System is optional for an individual described in § 23-201(a)(2)(iv) of this subtitle who is elected or appointed as the Baltimore City Sheriff ON OR BEFORE JUNE 30, 2011.

(2) AN INDIVIDUAL DESCRIBED IN § 23-201(A)(2)(IV) OF THIS SUBTITLE WHO IS A MEMBER OF THE EMPLOYEES' PENSION SYSTEM ON JUNE 30, 2011, AND REMAINS AS THE BALTIMORE CITY SHERIFF ON JULY 1, 2011:

(I) SHALL BECOME A MEMBER OF THE CASH BALANCE PLAN UNDER TITLE 41 OF THIS ARTICLE ON JULY 1, 2011; AND

(II) SHALL NO LONGER BE CONSIDERED A MEMBER OF THE EMPLOYEES' PENSION SYSTEM.

(3) (I) An individual who is elected or appointed as the Baltimore City Sheriff ON OR BEFORE JUNE 30, 2011, and who does not elect to join the Employees' Pension System is a member of the Law Enforcement Officers' Pension System under Title 26 of this article as a condition of employment.

(II) AN INDIVIDUAL WHO IS ELECTED AS THE BALTIMORE CITY SHERIFF ON OR AFTER JULY 1, 2011, AND WHO DOES NOT ELECT TO JOIN THE CASH BALANCE PLAN UNDER TITLE 41 OF THIS ARTICLE IS A MEMBER OF THE LAW ENFORCEMENT OFFICERS' PENSION SYSTEM UNDER TITLE 26 OF THIS ARTICLE AS A CONDITION OF EMPLOYMENT.

[(3)] (4) (I) To elect to be a member of the Employees' Pension System ON OR BEFORE JUNE 30, 2011, under this subsection, an individual shall file a written application with the State Retirement Agency.

[(4)] (II) An individual who does not elect membership within 6 months of the date the individual begins serving as the Baltimore City Sheriff shall become a member of the Law Enforcement Officers' Pension System.

1 23–208.

2 (A) (1) Except as provided in § 23–209 of this subtitle, an individual
3 described in § 23–206(a) of this subtitle who becomes employed by a participating
4 employer on or after January 1, 1980, **AND ON OR BEFORE JUNE 30, 2011**, or who
5 transfers membership from the Teachers' Retirement System **ON OR BEFORE JUNE**
6 **30, 2011**, is a member of the Teachers' Pension System as a condition of employment.

7 (2) **AN INDIVIDUAL DESCRIBED IN § 23–206(A) OF THIS SUBTITLE**
8 **WHO IS A MEMBER OF THE TEACHERS' PENSION SYSTEM ON JUNE 30, 2011,**
9 **AND REMAINS AN EMPLOYEE OF A PARTICIPATING EMPLOYER ON JULY 1, 2011:**

10 (I) **SHALL BECOME A MEMBER OF THE CASH BALANCE PLAN**
11 **UNDER TITLE 41 OF THIS ARTICLE ON JULY 1, 2011; AND**

12 (II) **SHALL NO LONGER BE CONSIDERED A MEMBER OF THE**
13 **TEACHERS' PENSION SYSTEM.**

14 (B) **AN INDIVIDUAL WHO IS NOT A MEMBER OF THE TEACHERS'**
15 **PENSION SYSTEM ON JUNE 30, 2011, IS NOT ELIGIBLE FOR MEMBERSHIP IN**
16 **THE TEACHERS' PENSION SYSTEM.**

17 30–302.

18 (a) (1) **[An] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**
19 **SUBSECTION, AN** election to participate in the program shall be made by an eligible
20 employee within 1 year of first becoming an eligible employee of an employing
21 institution.

22 (2) **AN INDIVIDUAL WHO DOES NOT ELECT TO PARTICIPATE IN**
23 **THE PROGRAM ON OR BEFORE JUNE 30, 2011, IS NOT ELIGIBLE FOR**
24 **MEMBERSHIP IN THE PROGRAM.**

25 (b) An eligible employee's election to participate in the program is a
26 one-time irrevocable election.

27 **TITLE 41. CASH BALANCE PLAN.**

28 **SUBTITLE 1. DEFINITIONS.**

29 **41–101.**

30 (A) **IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS**
31 **INDICATED.**

(B) “CASH BALANCE PLAN” MEANS A DEFINED BENEFIT PLAN QUALIFIED UNDER THE INTERNAL REVENUE CODE THAT REQUIRES EMPLOYER CONTRIBUTIONS AND EMPLOYEE CONTRIBUTIONS EQUAL TO A FIXED PERCENTAGE OF A PARTICIPATING EMPLOYEE’S ANNUAL EARNABLE COMPENSATION THAT ARE DEPOSITED INTO AN INTEREST BEARING ACCOUNT AND ADMINISTERED BY THE BOARD OF TRUSTEES.

(2) “ELIGIBLE EMPLOYEE” INCLUDES:

(II) A PROFESSIONAL EMPLOYEE AT A COMMUNITY COLLEGE OR REGIONAL COMMUNITY COLLEGE ESTABLISHED UNDER TITLE 16 OF THE EDUCATION ARTICLE;

(IV) AN EMPLOYEE OF MORGAN STATE UNIVERSITY WHO IS IN A POSITION DESIGNATED AS PROFESSIONAL OR ADMINISTRATIVE BY THE BOARD OF REGENTS OF MORGAN STATE UNIVERSITY;

(VI) AN INDIVIDUAL WHO IS AN EMPLOYEE OF A PARTICIPATING EMPLOYER AS:

2. AN APPOINTED OR ELECTED OFFICIAL OF THE STATE WHO IS APPOINTED OR ELECTED FOR A TERM OF OFFICE THAT BEGINS ON OR AFTER JULY 1, 2011, INCLUDING:

B. A REGISTER OF WILLS;

1 **C. A STATE’S ATTORNEY; AND**

2 **D. A SHERIFF;**

3 **3. AN EMPLOYEE OF A DAY SCHOOL IN THE STATE**
4 **UNDER THE AUTHORITY AND SUPERVISION OF A COUNTY BOARD OF EDUCATION**
5 **OR THE BALTIMORE CITY BOARD OF SCHOOL COMMISSIONERS EMPLOYED AS:**

6 **A. A CLERK;**

7 **B. A HELPING TEACHER;**

8 **C. A PRINCIPAL;**

9 **D. A SUPERINTENDENT;**

10 **E. A SUPERVISOR; OR**

11 **F. A TEACHER;**

12 **4. A LIBRARIAN OR CLERICAL EMPLOYEE OF A**
13 **LIBRARY THAT IS ESTABLISHED OR OPERATES UNDER THE EDUCATION**
14 **ARTICLE;**

15 **5. AN EMPLOYEE OF THE OFFICE OF THE SHERIFF**
16 **OF BALTIMORE CITY;**

17 **6. AN EMPLOYEE OR AGENT OF THE STATE RACING**
18 **COMMISSION AUTHORIZED BY § 11-207 OF THE BUSINESS REGULATION**
19 **ARTICLE;**

20 **7. A PERMANENT EMPLOYEE OF THE BOARD OF**
21 **SUPERVISORS OF ELECTIONS OF A COUNTY;**

22 **8. A FULL-TIME MASTER IN CHANCERY OR IN**
23 **JUVENILE CAUSES WHO WAS APPOINTED ON OR AFTER JULY 1, 2011, IN ANY**
24 **COUNTY BY THE CIRCUIT COURT FOR THAT COUNTY;**

25 **9. A NONFACULTY EMPLOYEE OF THE BALTIMORE**
26 **CITY COMMUNITY COLLEGE; OR**

1 **10. A STAFF EMPLOYEE OF THE UNIVERSITY SYSTEM**
2 **OF MARYLAND, MORGAN STATE UNIVERSITY, OR ST. MARY'S COLLEGE OF**
3 **MARYLAND.**

4 **(3) "ELIGIBLE EMPLOYEE" DOES NOT INCLUDE AN INDIVIDUAL**
5 **WHO ON OR BEFORE JUNE 30, 2011, IS A MEMBER OF THE OPTIONAL**
6 **RETIREMENT PROGRAM UNDER TITLE 30 OF THIS ARTICLE.**

7 **(D) "PARTICIPATING EMPLOYEE" MEANS AN ELIGIBLE EMPLOYEE WHO**
8 **PARTICIPATES IN THE CASH BALANCE PLAN.**

9 **SUBTITLE 2. CASH BALANCE PLAN.**

10 **41-201.**

11 **THERE IS A CASH BALANCE PLAN.**

12 **41-202.**

13 **THE BOARD OF TRUSTEES SHALL ADMINISTER THE CASH BALANCE PLAN.**

14 **41-203.**

15 **(A) THE BOARD OF TRUSTEES SHALL ADOPT, IMPLEMENT, AND**
16 **MAINTAIN THE CASH BALANCE PLAN.**

17 **(B) THE BOARD OF TRUSTEES SHALL ADOPT REGULATIONS TO CARRY**
18 **OUT THIS TITLE.**

19 **(C) A PARTICIPATING EMPLOYEE'S INTEREST IN THE CASH BALANCE**
20 **PLAN:**

21 **(1) SHALL BEGIN 3 YEARS AFTER THE PARTICIPATING EMPLOYEE**
22 **BECOMES AN ELIGIBLE EMPLOYEE;**

23 **(2) SHALL BE 100% VESTED ON THE FIRST DAY OF THE FOURTH**
24 **YEAR AFTER THE PARTICIPATING EMPLOYEE BECOMES AN ELIGIBLE**
25 **EMPLOYEE; AND**

26 **(3) MAY BE DISTRIBUTED AS PROVIDED UNDER § 41-206 OF THIS**
27 **SUBTITLE.**

28 **41-204.**

1 AN INDIVIDUAL IS A MEMBER OF THE CASH BALANCE PLAN AS A
2 CONDITION OF EMPLOYMENT IF THE INDIVIDUAL:

3 (1) COMMENCES EMPLOYMENT AS AN ELIGIBLE EMPLOYEE ON OR
4 AFTER JULY 1, 2011; OR

5 (2) WAS A MEMBER OF THE EMPLOYEES' PENSION SYSTEM OR
6 TEACHERS' PENSION SYSTEM ON OR BEFORE JUNE 30, 2011, AND BECOMES AN
7 ELIGIBLE EMPLOYEE ON JULY 1, 2011.

8 41-205.

9 (A) A PARTICIPATING EMPLOYEE'S CONTRIBUTION RATE IS 5% OF THE
10 PARTICIPATING EMPLOYEE'S ANNUAL EARNABLE COMPENSATION.

11 (B) THE PARTICIPATING EMPLOYEE CONTRIBUTIONS SHALL BE MADE
12 AS PAYROLLS ARE PAID BY PAYROLL DEDUCTION OR BY A REDUCTION IN
13 SALARY IN ACCORDANCE WITH THE INTERNAL REVENUE CODE AND AS
14 PROVIDED BY THE CASH BALANCE PLAN.

15 41-206.

16 (A) (1) A PARTICIPATING EMPLOYEE MAY RETIRE FROM THE CASH
17 BALANCE PLAN IF THE PARTICIPATING EMPLOYEE HAS ATTAINED AT LEAST AGE
18 62 AND AT LEAST 10 YEARS OF SERVICE AS AN ELIGIBLE EMPLOYEE.

19 (2) IF A PARTICIPATING EMPLOYEE ELECTS TO RETIRE BEFORE
20 ATTAINING AGE 62 AND 10 YEARS OF SERVICE, THE PARTICIPATING EMPLOYEE
21 MAY NOT RECEIVE ANY DISTRIBUTION UNDER SUBSECTION (C) OF THIS SECTION
22 UNTIL JULY 1 FOLLOWING THE NEXT ACTUARIAL EVALUATION FOLLOWING THE
23 PARTICIPATING EMPLOYEE'S ELECTION.

24 (B) ON RETIREMENT UNDER THIS SECTION, A PARTICIPATING
25 EMPLOYEE SHALL RECEIVE A DISTRIBUTION UNDER SUBSECTION (C) OF THIS
26 SECTION THAT EQUALS THE PARTICIPATING EMPLOYEE'S ACCOUNT WITH 5%
27 INTEREST COMPOUNDED ANNUALLY FOR EACH YEAR OF SERVICE AS AN
28 ELIGIBLE EMPLOYEE.

29 (C) BENEFITS UNDER THE CASH BALANCE PLAN:

30 (1) SHALL BE PAYABLE TO A PARTICIPATING EMPLOYEE AS:

31 (I) A LUMP SUM PAYMENT; OR

1 (II) AN ANNUITY BEGINNING AT THE TIME OF RETIREMENT
2 OF THE PARTICIPATING EMPLOYEE WITH:

3 1. NO SURVIVOR BENEFIT;

4 2. A 100% JOINT AND SURVIVOR BENEFIT; OR

5 3. A 50% JOINT AND SURVIVOR BENEFIT; AND

6 (2) SHALL BE PAYABLE IN ACCORDANCE WITH THE INTERNAL
7 REVENUE CODE AND AS PROVIDED BY THE CASH BALANCE PLAN.

8 41-207.

9 (A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, ON BEHALF OF
10 EACH PARTICIPATING EMPLOYEE WHO MAKES CONTRIBUTIONS UNDER § 41-205
11 OF THIS SUBTITLE, THE STATE SHALL CONTRIBUTE 5% OF THE PARTICIPATING
12 EMPLOYEE'S ANNUAL EARNABLE COMPENSATION.

13 (B) (1) IN THIS SUBSECTION, "LOCAL EMPLOYER" MEANS:

14 (I) A DAY SCHOOL IN THE STATE UNDER THE AUTHORITY
15 AND SUPERVISION OF A COUNTY BOARD OF EDUCATION OR THE BALTIMORE
16 CITY BOARD OF SCHOOL COMMISSIONERS;

17 (II) A LIBRARY THAT IS ESTABLISHED OR OPERATES UNDER
18 THE EDUCATION ARTICLE; OR

19 (III) A COMMUNITY COLLEGE, OTHER THAN BALTIMORE
20 CITY COMMUNITY COLLEGE, THAT IS ESTABLISHED UNDER THE EDUCATION
21 ARTICLE.

22 (2) THIS SECTION APPLIES TO EMPLOYER CONTRIBUTIONS FOR A
23 PARTICIPATING EMPLOYEE WHO IS:

24 (I) AN EMPLOYEE OF A DAY SCHOOL IN THE STATE UNDER
25 THE AUTHORITY AND SUPERVISION OF A COUNTY BOARD OF EDUCATION OR THE
26 BALTIMORE CITY BOARD OF SCHOOL COMMISSIONERS EMPLOYED AS:

27 1. A CLERK;

28 2. A HELPING TEACHER;

29 3. A PRINCIPAL;

1 4. A SUPERINTENDENT;

2 5. A SUPERVISOR; OR

3 6. A TEACHER;

4 (II) A LIBRARIAN OR CLERICAL EMPLOYEE OF A LIBRARY
5 THAT IS ESTABLISHED OR OPERATES UNDER THE EDUCATION ARTICLE; OR

6 (III) A PROFESSIONAL EMPLOYEE AT A COMMUNITY
7 COLLEGE OR REGIONAL COMMUNITY COLLEGE ESTABLISHED UNDER TITLE 16
8 OF THE EDUCATION ARTICLE.

9 (3) BEGINNING JULY 1, 2016, ON BEHALF OF A PARTICIPATING
10 EMPLOYEE DESCRIBED UNDER PARAGRAPH (2) OF THIS SUBSECTION, EACH
11 LOCAL EMPLOYER SHALL PAY THE EMPLOYER CONTRIBUTIONS THAT ARE
12 REQUIRED UNDER SUBSECTION (A) OF THIS SECTION MULTIPLIED BY:

13 (I) 20% FOR FISCAL 2017;

14 (II) 40% FOR FISCAL 2018;

15 (III) 60% FOR FISCAL 2019;

16 (IV) 80% FOR FISCAL 2020; AND

17 (V) 100% FOR FISCAL 2021 AND EACH FISCAL YEAR
18 THEREAFTER.

19 (C) (1) THIS SUBSECTION APPLIES TO PARTICIPATING EMPLOYEES
20 WHO ARE PAID THROUGH THE CENTRAL PAYROLL BUREAU.

21 (2) AS PAYROLLS ARE PAID, THE CENTRAL PAYROLL BUREAU
22 SHALL PAY THE EMPLOYER CONTRIBUTIONS TO THE CASH BALANCE PLAN AS
23 DIRECTED BY THE BOARD OF TRUSTEES.

24 (3) THE PAYMENTS SHALL BE CHARGED AGAINST THE BUDGETS
25 OF THE UNITS EMPLOYING THE PARTICIPATING EMPLOYEES.

26 (4) IF A PARTICIPATING EMPLOYEE'S SALARY IS PAID FROM
27 SPECIAL FUNDS OR FEDERAL FUNDS OR BOTH, THE EMPLOYER CONTRIBUTION
28 FOR THAT EMPLOYEE SHALL BE PAID FROM THOSE FUNDS.

1 (D) (1) THIS SUBSECTION APPLIES TO PARTICIPATING EMPLOYEES
2 WHO ARE NOT PAID THROUGH THE CENTRAL PAYROLL BUREAU.

3 (2) THE BOARD OF TRUSTEES SHALL PROVIDE BY REGULATION
4 THE MANNER IN WHICH EMPLOYER CONTRIBUTIONS AND PARTICIPATING
5 EMPLOYEE CONTRIBUTIONS ARE TO BE MADE.

6 41-208.

7 THE GOVERNOR SHALL INCLUDE IN THE ANNUAL STATE BUDGET BILL AN
8 APPROPRIATION THAT IS SUFFICIENT TO PAY THE EMPLOYER CONTRIBUTIONS
9 FOR PARTICIPATING EMPLOYEES REQUIRED UNDER § 41-207 OF THIS
10 SUBTITLE.

11 41-209.

12 (A) SUBJECT TO SUBSECTION (B) OF THIS SECTION, A PARTICIPATING
13 EMPLOYEE WHO BEFORE JULY 1, 2011, WAS A MEMBER OF THE EMPLOYEES'
14 PENSION SYSTEM OR THE TEACHERS' PENSION SYSTEM SHALL RECEIVE A
15 BENEFIT UNDER § 23-401 OF THIS ARTICLE FOR THE PERIOD OF TIME THE
16 PARTICIPATING EMPLOYEE WAS A MEMBER OF THE EMPLOYEES' PENSION
17 SYSTEM OR TEACHERS' PENSION SYSTEM.

18 (B) TO QUALIFY FOR A BENEFIT FROM THE EMPLOYEES' PENSION
19 SYSTEM OR THE TEACHERS' PENSION SYSTEM UNDER SUBSECTION (A) OF THIS
20 SECTION, THE PARTICIPATING EMPLOYEE IS SUBJECT TO THE PROVISIONS OF
21 TITLE 23 OF THIS ARTICLE.

22 (C) (1) THIS SECTION APPLIES TO AN ELIGIBLE EMPLOYEE WHO ON
23 JUNE 30, 2011, HAS LESS THAN 5 YEARS OF SERVICE CREDIT IN THE
24 EMPLOYEES' PENSION SYSTEM OR THE TEACHERS' PENSION SYSTEM.

25 (2) AN ELIGIBLE EMPLOYEE DESCRIBED IN PARAGRAPH (1) OF
26 THIS SUBSECTION:

27 (I) MAY ELECT TO RECEIVE A RETURN OF THE ELIGIBLE
28 EMPLOYEE'S MEMBER CONTRIBUTIONS, WITH REGULAR INTEREST, FROM THE
29 EMPLOYEES' PENSION SYSTEM OR TEACHERS' PENSION SYSTEM; OR

30 (II) MAY ELECT TO CONVERT THE BENEFIT THE ELIGIBLE
31 EMPLOYEE HAS ACCRUED IN THE EMPLOYEES' PENSION SYSTEM OR
32 TEACHERS' PENSION SYSTEM ON JUNE 30, 2011, TO AN EQUIVALENT BENEFIT
33 IN THE CASH BALANCE PLAN.

1 **(3) AN ELIGIBLE EMPLOYEE WHO ELECTS TO CONVERT THE**
2 **BENEFIT THE ELIGIBLE EMPLOYEE HAS ACCRUED IN THE EMPLOYEES' PENSION**
3 **SYSTEM OR TEACHERS' PENSION SYSTEM UNDER PARAGRAPH (2)(II) OF THIS**
4 **SUBSECTION MAY NOT RECEIVE A RETURN OF THE ELIGIBLE EMPLOYEE'S**
5 **MEMBER CONTRIBUTIONS.**

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 July 1, 2011.